Headquarters U.S. Air Force

Integrity - Service - Excellence

AFMS Group

28 Apr 04

1300-1530

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AFMS Group Agenda

Approval of Minutes	1 Min
FY06-11 SG POM Trade-Space Wrap-Up – Lt Col Paris	30 Min
BOS Withhold – Maj Harper	30 Min
FY04 Shortfall Options – Lt Col Tenney	30 Min
Open Discussion	15 Min

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Minutes Approval

- 9 Apr and 14 Apr 04 AFMS Group Minutes – Approved?
- Archives of AFMS Corporate Structure minutes can be found at:
  - O:\SG_Common\AFMS Corporate Structure

    - or –
  - https://kx.afms.mil/afmsengineroom

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Trade-Space Wrap-up

Lt Col Ray Paris
Medical Programmer

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FY06 Mgmt HQ Program Review

- **Purpose:**
  - **Classification: Unclassified**
  - **Type: Information**
  - **Length of Briefing: 30 mins**
  - **Briefer: Lt Col Ray Paris, HQ USAF/SGMP, DSN 297-4979**

Overview

- Trade-space summary
  - Compilation of Multiple Transactions

    (D+I=O)
- Next Steps

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POM A2 Trade-space Summary

O	A	C	Transaction
-15	**80**	**0**	**Starting Balance (As of Council Briefing I) 23 Feb**
-17	0	0	Landstuhl Offset Reversals
-6	-6	0	Spang Disconnects From Panel
3	1	3	DSCA DIMO Reductions (AFMC)
6	9	1	Non-MTF Turn-in (AETC)
-29	**84**	**4**	**Balance (As of Council Briefing II) 17 Mar**
4	0	0	Convert 4 Officer 046n3's to Contract in AETC
0	-6	0	Convert 4n0 from contract to Airman in ACC
0	-26	0	Convert 4n0 from contract to Airman in AETC
0	-19	0	Convert 4n0 from contract to Airman in AFMC
0	-2	0	Convert 4n0 to Airman in AFSOC
0	-2	0	Convert 4n0 to Airman in AFSPC
0	-6	0	Convert 4n0 to Airman in AMC
0	-3	0	Convert 4n0 to Airman in PACAF
-25	**20**	**4**	**Balance (Post Council Briefing II) 31 Mar**

Previous Buy Back Contractors for Blue Suit FYDP ($1.8M)

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POM A2 Trade-space Summary

O	A	C	Transaction
-25	**20**	**4**	**Balance From Previous Page**
0	-20	20	TRO Build, Enlisted for Civilian Trade-Off with MAJCOMs
13	12	0	GME Realignment (Note: 4 residents to HQ portion)
-1	0	0	Bio officer at Vandenberg – SGP Laydown disconnect
-2	-3	0	Added 1 PCO team at Hurlburt – Mission Change
-4	-6	0	Added 2 PCO teams at Patrick – Wrong population used (TRICARE Plus not Included)
-1	0	0	IHS payback from FY05 APOM within PACAF
0	0	-1	Civilian added to 11th Wing Pentagon Clinic
-3	-1	0	AFSOC Management HQ Increase – Additional MTF and new missions
64	13	26	HQ Program Reductions (Lead Agents)
-1	0	0	Pediatric Hospitalist at Misawa – Support Nursery
40	**15**	**49**	**Balance (As of Gen Taylor Briefing) 6 Apr**
0	0	-41	Civilian FYDP Transfer To TMA to meet TRO requirements
40	**15**	**8**	**“Bank” As of 21 Apr (prior to closing transactions)**
0	8	-8	Reverse TRO Build, Enlisted for Civilian Trade-Off with MAJCOMs
-40	-23	0	Decrease contract costs (~$5.8M/per year) ~40.2M over FYDP
0	**0**	**0**	**Balance**

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Next Steps

- Submit manpower POM to DP and HA
- Purchase back last "most dear" financial offset taken

Purchase Back Supplies →

Offsets	Amt	Cumulative
Tradespace	-46,626	-46,626
Block I	-18,800	-65,426
TDY Total	-255	-65,681
Contracts Total	-5,751	-71,432
TDY Total	-1,799	-73,231
IM/IT Total	-1824	-75,055
Supplies Total	-1,402	-76,457
Equipment Total	-2,233	-78,690
IM/IT Total	-689	-79,379
Supplies Total	-4,632	-84,011

Least Dear ↓ Most Dear

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Questions

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FY04 SRM Withhold

AFMS Group Meeting – 28 Apr 04

Maj Doug Harper
AFMSA/SGSF

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FY04 SRM Withhold

- **Purpose: Brief AFMS Group on FY04 SRM Withhold**
- **Classification: Unclassified**
- **Type: Decision/Information**
- **Length of Briefing: 20 min**
- **Briefer: Maj Doug Harper**

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Overview

- Current Situation
- Obligated SRM Funds
- SRM Spend Plans
  - Decision – Immediate Issues
  - Information – Future Issues

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Current Situation

- AFMS FY04 SRM funding reduced by $49M
- $10M of remaining $90M SRM set aside for “BOS pool” and facility emergencies
- FY04 SRM Withhold Current Balance = $7.7M
- Proposed spending plan funds:
  - Time sensitive and critical facility projects
  - Maintains “emergency” funding pool until EOFY
- Spending plan based on input from MAJCOM facility reps

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Obligated SRM Funds

Must Pay Date	Project	Cost	Balance
02/01/2003			$ 10,000,000
02/23/2004	Wright Patt Gateway to Care Project	$2,000,000	$ 8,000,000
03/01/2004	AF/SG Furniture Moves	$ 129,000	$ 7,871,000
03/02/2004	Lackland Boiler Replacement	$ 87,000	$ 7,784,000
03/09/2004	Tinker MILCON Environmental Study	$ 40,000	$ 7,744,000
03/19/2004	Tinker MILCON Economic Analysis	$ 10,000	$ 7,734,000

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SRM Spend Plan Decision

Must Pay Date	Project	Cost	Balance
04/28/2004	Keesler OB Project	$1,500,000	$ 6,234,000
05/15/2004	AFMS Design-Build Contract	$ 525,000	$ 5,709,000
05/16/2004	MILCON Pre-Planning	$ 100,000	$ 5,609,000
05/17/2004	AFMS Engineering Support	$ 300,000	$ 5,309,000
05/18/2004	AFMS Energy Program	$ 100,000	$ 5,209,000

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SRM Spend Plan Information

Must Pay Date	Project	Cost	Balance
7/1/2004	Nellis Refill Pharmacy	$ 625,000	$ 4,584,000
7/2/2004	DMLSS Support Contract	$ 400,000	$ 4,184,000
8/1/2004	Lackland Electrical Switch	$ 2,000,000	$ 2,184,000
8/2/2004	Scott Electrical Repairs	$ 950,000	$ 1,234,000
8/3/2004	Scott Renovation, Ph 1	$ 1,300,000	$ (66,000)
9/30/2004	Scott Renovation, Ph 2-7	$ 2,000,000	$ (2,066,000)
9/30/2004	Scott Renovation, Ph 8, 9, 11	$ 5,000,000	$ (7,066,000)

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Questions?

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FY04 Shortfall Options - Input from MAJCOMs

28 Apr 04

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Input from MAJCOMs: AFSPACE

- **HQ AFSPACE votes we hold strong and continue to advocate the AFMS Long View Strategy and more importantly the POM. We believe changing course at this point breaks FY05 and beyond.**

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Input from MAJCOMs: AETC

- **If unobligated no-year SCO dollars pulled back (1):**
  - **Air Staff use O&M funding pulled from MTFs to offset shortfall.**
  - **MTFs receive no-year funding to cover gap fill and optimization contracts due for renewal 4th Qtr FY04.**
  - **Extend the FY04 contracts until 30 Sep 04 and renew them 1 Oct 05 for an entire year. This will save FY04 dollars and maximize the use of contract funding. When annual contracts are awarded late in the FY, we often lose funding that is not executed on the contract. Since the funding is prior year, we can't use it in the current year.**
  - **Scrub contracts across the AFMS, including HQ, and prioritize most dear to least dear. This will determine which contracts we should extend to 30 Sep 04 and renew in FY05.**
  - **Postpone modernization expenditures until more funding becomes available.**

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Input from MAJCOMs: AETC (cont.)

- **If unobligated no-year optimization funds are not vulnerable (2):**
  - **Prioritize ALL personnel contracts at the MTFs and HQ. Include baseline contracts as well as Optimization, Gap Fill, and Access to Care contracts.**
  - **Determine the funding needed to extended contracts due for renewal 4th Qtr FY04 until 30 Sep 04.**
  - **Only use the no-year funds necessary to satisfy the requirement identified above.**
  - **The remaining optimization funding can go to renewal of contracts in FY05 based on prioritization.**

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Input from MAJCOMs: AETC (cont.)

- How best to alleviate the approximate $47M shortfall (3):
  - Postpone modernization expenditures until more funding becomes available.
  - Scrub HQ accounts to validate withhold requirements.
  - Use O&M funding pulled from MTFs to offset shortfall.
  - Determine the funding needed to extended contracts due for renewal 4th Qtr FY04 until 30 Sep 04.
  - Use the no-year funds necessary to satisfy the requirement identified above.
  - Use no-year funds to cover remaining shortfall, but return optimization funding to the MTFs if reprogramming is not approved and TMA returns funds to the AFMS.

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Input from MAJCOMs: AMC

- **If unobligated no-year SCO dollars pulled back (1):**
  - **Use the SCO funds to cover our PCO and Gap-fill contracts. I would much rather use these funds to make it through FY04 than let TMA pull them back. Reduce this FY's deficit to a manageable level with all resources available.**
  - **Consider using the modernization funds and any HQ AF/SG withholds that probably will not be used before taxing the MAJCOMS.**
  - **Unfortunately many of our contracts will be renewed about the same time we find out if the TMA reprogramming action was successful or not. We should exercise the clause in our most-dear contracts that allows us to extend them for up to six-months. This will allow us to cover with the funds from TMA (if reprogramming fails) and/or fallout before the EOFY04…**

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Input from MAJCOMs: AMC (cont.)

…If we cancel these contracts it will be very difficult to get them back in a few months; if we do it will most likely be at a higher cost due to the risk the contractors are assuming that our funds will dry up again. Its all about timing…

- **If we do get the funds back from TMA, please do not fence these funds or limit their use to any one or two commodities. At the very least include the pharmacy shortfall in the allowable expenditures.**
- **If we have to tax the MAJCOMs, do not direct where we take the cuts. Allow the MAJCOMs and MDG/CCs to find their offsets where they will do the least damage. Remember, all healthcare is local.**

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Input from MAJCOMs: AMC (cont.)

- If unobligated no-year optimization funds are not vulnerable (2):
  - Still like the idea of extending contracts where feasible until the EOFY04. Fund the contracts that qualify for using SCO funds. Use FY04 O&M $ to extend the contracts until the EOFY when the we may get the TMA funds back. I still think the best solution is to cover the current year shortfall with any and all available funds to include the SCO no-year funds.
  - Delay funding modernization initiatives; use these funds and any available HQ withholds to cover current year bills.
  - If forced to take a tax from the MAJCOMs then HQ AF/SG should be included as well. Allow the MDGs to determine what is most to least dear in their programs; let them decide where to take the tax. If from contracts then let them determine what contracts (including the PCO contracts) are least dear. After all, optimization funds were removed by PBD 041.

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Input from MAJCOMs: AMC (cont.)

- How best to alleviate the approximate $47M shortfall (3):
  - Extend contracts to EOFY where possible; use all available funding to sustain operations/patient care
  - Use the SCO funds to reduce the deficit to the maximum extent possible
  - Curtail any new starts (modernization) and scrub the HQ AF/SG withholds for money to fill the $47M hole.
  - If a MAJCOMS/MTFs tax is necessary, include HQ AF/SG. Do not direct where we take cuts. Let MAJCOMS/MTFs decide.
  - If funds are returned to AFMS by TMA, do not limit their use. Let MAJCOMS/MTFs use them where needed.

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Input from MAJCOMs: AFMC

1. **All HQ USAF/SG funds should be thoroughly scrubbed and all uncommitted/unobligated funds put against the deficit. This should include all SRM funds for projects not yet underway and all unobligated Modernization funds.**
2. **Eliminate all conferences and symposia for the remainder of the FY. Pull back reservation funds and tax MAJCOMs for the cost of all who would have traveled to attend. This would include the RM and ASHE conferences as well as any SKUNKWORKS activities, in fact this program ought to be killed--I've never seen any "look back" on how this expensive program has significantly impacted the AFMS.**
3. **Apply all unused SCO funds (that have been distributed to the MAJCOMs) to the deficit.**

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Input from MAJCOMs: AFMC (cont.)

4. **Once all of the above have been accomplished, recalculate the deficit. If the AFMS is still in the negative, allocate a proportional share of the deficit to each MAJCOM and let them determine how best to cut back operations to meet their bogey.**

5. **If step 4, above, is required, each MAJCOM should start the analysis with the following:**

   a. **Determine which currently funded contracts are not consistent with the FY06-11 POM and can therefore be eliminated.**

   For example: The FY06-11 POM only funded one enlisted 4A0 in Wright-Patt's ENT clinic. Currently they have one enlisted 4A0 and one contract 4A0. Therefore, we should eliminate the contract 4A0 as soon as possible. Many of these situations will involve SCO funded contracts. Lt Col Cockerill can work with the MAJCOMs to determine how much of the optimization money will really be needed in FY05. The excess can be used to further reduce the tax.

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Input from MAJCOMs: AFMC (cont.)

b. Accelerate the elimination of the contracts by not renewing them for FY04 - 05 (if not yet renewed) or FY05 (if contracts run 1 Oct - 30 Sep).

c. Apply all FY04 money to the FY04 deficit.

d. Apply all "freed-up" FY05 money to ensure that contracts that will exist FY06-11 continue to be funded for FY05.

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Input from MAJCOMs: PACAF

- **PACAF does not have any SCO funds to withdraw. We have already distributed them to the facilities. As for how to help pay the AFMS bills--we really don't have anything else to add that Col Triche did not mention in his email.**
- **PACAF could not support a MAJCOM tax due to our $2M unfunded for patient travel which is a must pay.**

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Input from MAJCOMs: ACC

- **Air Staff should inform the MAJCOMS what initiatives the $47M will be used to purchase and then work with MAJCOMS/Panels to identify least dear offsets (e.g., D/I/O planning) at the Air Staff and MAJCOM levels.**
- **What is Air Staff's total withhold (DHP such as SR&M, Pharmacy, IM/IT, equipment), SCO, GWOT etc...)? What projected programs/initiatives/commodities are these dollars being held for?**

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Input from MAJCOMs: ACC (cont.)

- **Use the no-year funds for one time "optimization"/"gap-fill" requirements or least dear optimization contracts. Move the baseline dollars toward more dear gap-fill, SCO, PCO, ATC, and RSA (conversions) such as optimization contracts that are now earned under MAPPG 06. Note: RSAs were originally put in place to serve as "gap-fills", product line "optimization", and strictly stand alone recapture initiatives. Thus many converted RSAs immediately become "gap-fill" and "optimization" contracts. Also, some one-time equipment (IM/IT and medical) and SR&M projects are "optimization" in nature (telephony, satellite clinics etc).**
- **The funding for the new AFMS Centralized TPC Initiative should be considered among the D/I/Os. Where ever this startup funding is coming from, it must be available for a D/I/O review.**

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Input from MAJCOMs: ACC

- **MAJCOMS should review their non analyzed product lines that include RSA conversions to see if the RSAs are doing what they were originally put in place to do (i.e., "gap-fills", "optimization", and strictly stand alone recapture initiatives. RSAs in current non analyzed product lines are being fully funded for conversion in FY05. MAJCOMS may find the RSAs are not serving their intended purpose thus they may become least dear in a D/I/O review...**
- **Please be aware of the additional impact this SCO swap will have on the FY06 execution year. There is already a planned FY06 POM offset (attached) to fund new "Corporate" FY06 initiatives separate from the SCO (no-year) dollar swap. Given SCO funding may not be available in future FYs, the ACC FY06 cut totals $11.45M ($8.015M FY06 POM plus $3.435M SCO) to fund new FY04/FY06 "Corporate" initiatives. This would have a significant impact on operations to include significantly increasing the Revised Financing bill that the MTFs will then be responsible to manage.**

Meeting Recap & Calendar

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- New Items
- Action Items
- Meeting Schedule:
  - AFMS Group: Wed., 5 May, 1330-1530